

Message Text

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INFO OCT-01 AF-06 ARA-10 EA-10 EUR-12 NEA-10 IO-10 ISO-00

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EB-07 FRB-01 H-02 INR-07 INT-05 L-02 LAB-04 NSAE-00

NSC-05 PA-02 AID-05 CIEP-02 SS-15 STR-04 TAR-01

USIA-15 PRS-01 SP-02 OMB-01 XMB-04 /158 R

DRAFTED BY TREASURY:AECLAPP

APPROVED BY EB/IFD/OIA:RJSMITH

AF/EP:WHITE (INFO)

ARA/ECP:GOLSEN (INFO)

EA/EP:AGEBER (INFO)

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E.O. 11652: N/A

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TAGS: EINV

SUBJECT: FOREIGN INVESTMENT IN THE UNITED STATES

SEPTTEL REPORTED ON NEW ADMINISTRATIVE PROCEDURES ON FOREIGN INVESTMENT IN THE U.S. BEING ESTABLISHED PURSUANT TO EXECUTIVE ORDER 11858 SIGNED BY PRESIDENT FORD ON MAY 7. CONCLUDING PARA REQUESTED ADDRESSEES TO PROVIDE HOST GOVERNMENT UNCLASSIFIED

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WITH COPIES OF EXECUTIVE ORDER AND PRESS RELEASE ISSUED AFTER FIRST MEETING OF NEW COMMITTEE ON FOREIGN INVESTMENT IN U.S. FOLLOWING ARE TEXTS OF ORDER AND RELEASE:

EXECUTIVE ORDER 11858 MAY 7, 1975
FOREIGN INVESTMENT IN THE UNITED STATES

BY VIRTUE OF THE AUTHORITY VESTED IN ME BY THE CONSTITUTION AND STATUTES OF THE UNITED STATES OF AMERICA, INCLUDING THE ACT OF FEBRUARY 14, 1903, AS AMENDED (15 U.S.C. 1501 ET SEQ.) SECTION 10 OF THE GOLD RESERVE ACT OF 1934, AS AMENDED (31 U.S.C. 822A), AND SECTION 301 OF TITLE 3 OF THE UNITED STATES CODE, AND AS PRESIDENT OF THE UNITED STATES OF AMERICA, IT IS HEREBY ORDERED AS FOLLOWS:

SECTION 1. (A) THERE IS HEREBY ESTABLISHED THE COMMITTEE ON FOREIGN INVESTMENT IN THE UNITED STATES (HEREINAFTER

REFERRED TO AS THE COMMITTEE). THE COMMITTEE SHALL BE COMPOSED OF A REPRESENTATIVE, WHOSE STATUS IS NOT BELOW THAT OF AN ASSISTANT SECRETARY, DESIGNATED BY EACH OF THE FOLLOWING:

- (1) THE SECRETARY OF STATE.
- (2) THE SECRETARY OF THE TREASURY.
- (3) THE SECRETARY OF DEFENSE.
- (4) THE SECRETARY OF COMMERCE.
- (5) THE ASSISTANT TO THE PRESIDENT FOR ECONOMIC AFFAIRS.
- (6) THE EXECUTIVE DIRECTOR OF THE COUNCIL ON INTERNATIONAL ECONOMIC POLICY.

THE REPRESENTATIVE OF THE SECRETARY OF THE TREASURY SHALL BE THE CHAIRMAN OF THE COMMITTEE. THE CHAIRMAN, AS HE DEEMS APPROPRIATE, MAY INVITE REPRESENTATIVES OF OTHER DEPARTMENTS AND AGENCIES TO PARTICIPATE FROM TIME TO TIME IN ACTIVITIES OF THE COMMITTEE.

(B) THE COMMITTEE SHALL HAVE PRIMARY CONTINUING RESPONSIBILITY WITHIN THE EXECUTIVE BRANCH FOR MONITORING THE IMPACT OF FOREIGN INVESTMENT IN THE UNITED STATES, BOTH DIRECT AND PORTFOLIO, AND FOR COORDINATING THE IMPLEMENTATION OF UNITED STATES POLICY ON SUCH INVESTMENT. IN FULFILLMENT OF THIS RESPONSIBILITY, THE COMMITTEE SHALL:

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(1) ARRANGE FOR THE PREPARATION OF ANALYSES OF TRENDS AND SIGNIFICANT DEVELOPMENTS IN FOREIGN INVESTMENTS IN THE UNITED STATES;

(2) PROVIDE GUIDANCE ON ARRANGEMENTS WITH FOREIGN GOVERNMENTS FOR ADVANCE CONSULTATIONS ON PROSPECTIVE MAJOR FOREIGN GOVERNMENTAL INVESTMENTS IN THE UNITED STATES;

(3) REVIEW INVESTMENTS IN THE UNITED STATES WHICH, IN

THE JUDGMENT OF THE COMMITTEE, MIGHT HAVE MAJOR IMPLICATIONS FOR UNITED STATES NATIONAL INTERESTS; AND

(4) CONSIDER PROPOSALS FOR NEW LEGISLATION OR REGULATIONS RELATING TO FOREIGN INVESTMENT AS MAY APPEAR NECESSARY.

(C) AS THE NEED ARISES, THE COMMITTEE SHALL SUBMIT RECOMMENDATIONS AND ANALYSES TO THE NATIONAL SECURITY COUNCIL AND TO THE ECONOMIC POLICY BOARD. IT SHALL ALSO ARRANGE FOR THE PREPARATION AND PUBLICATION OF PERIODIC REPORTS.

SECTION 2. THE SECRETARY OF COMMERCE, WITH RESPECT TO THE COLLECTION AND USE OF DATA ON FOREIGN INVESTMENT IN THE UNITED STATES, SHALL PROVIDE, IN PARTICULAR, FOR THE PERFORMANCE OF THE FOLLOWING ACTIVITIES:

(A) THE OBTAINMENT, CONSOLIDATION, AND ANALYSIS OF INFORMATION ON FOREIGN INVESTMENT IN THE UNITED STATES;

(B) THE IMPROVEMENT OF PROCEDURES FOR THE COLLECTION AND DISSEMINATION OF INFORMATION ON SUCH FOREIGN INVESTMENT;

(C) THE CLOSE OBSERVATION OF FOREIGN INVESTMENT IN THE UNITED STATES;

(D) THE PREPARATION OF REPORTS AND ANALYSES OF TRENDS AND OF SIGNIFICANT DEVELOPMENTS IN APPROPRIATE CATEGORIES OF UNCLASSIFIED

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SUCH INVESTMENT;

(E) THE COMPILATION OF DATA AND PREPARATION OF EVALUATIONS OF SIGNIFICANT INVESTMENT TRANSACTIONS; AND

(F) THE SUBMISSION TO THE COMMITTEE OF APPROPRIATE REPORTS, ANALYSES, DATA AND RECOMMENDATIONS RELATING TO FOREIGN INVESTMENT IN THE UNITED STATES, INCLUDING RECOMMENDATIONS AS TO HOW INFORMATION ON FOREIGN INVESTMENT CAN BE KEPT CURRENT.

SECTION 3. THE SECRETARY OF THE TREASURY IS AUTHORIZED, WITHOUT FURTHER APPROVAL OF THE PRESIDENT, TO MAKE REASONABLE USE OF THE RESOURCES OF THE EXCHANGE STABILIZATION FUND, IN ACCORDANCE WITH SECTION 10 OF THE GOLD RESERVE ACT OF 1934, AS AMENDED (31 U.S.C. 822A), TO PAY ANY OF THE EXPENSES DIRECTLY INCURRED BY THE SECRETARY OF COMMERCE IN THE PERFORMANCE OF THE FUNCTIONS AND ACTIVITIES PROVIDED BY THIS ORDER. THIS AUTHORITY SHALL BE IN EFFECT FOR ONE YEAR, UNLESS REVOKED PRIOR THERETO.

SECTION 4. ALL DEPARTMENTS AND AGENCIES ARE DIRECTED TO

PROVIDE, TO THE EXTENT PERMITTED BY LAW, SUCH INFORMATION AND ASSISTANCE AS MAY BE REQUESTED BY THE COMMITTEE OR THE SECRETARY OF COMMERCE IN CARRYING OUT THEIR FUNCTIONS AND ACTIVITIES UNDER THIS ORDER.

SECTION 5. INFORMATION WHICH HAS BEEN SUBMITTED OR RECEIVED IN CONFIDENCE SHALL NOT BE PUBLICLY DISCLOSED, EXCEPT TO THE EXTENT REQUIRED BY LAW; AND SUCH INFORMATION SHALL BE USED BY THE COMMITTEE ONLY FOR THE PURPOSE OF CARRYING OUT THE FUNCTIONS AND ACTIVITIES PRESCRIBED BY THIS ORDER.

SECTION 6. NOTHING IN THIS ORDER SHALL AFFECT THE DATA-GATHERING, REGULATORY, OR ENFORCEMENT AUTHORITY OF ANY EXISTING DEPARTMENT OR AGENCY OVER FOREIGN INVESTMENT, AND THE REVIEW OF INDIVIDUAL INVESTMENTS PROVIDED BY THIS ORDER SHALL NOT IN ANY WAY SUPERSEDE OR PREJUDICE ANY OTHER PROCESS PROVIDED BY LAW.

GERALD R. FORD

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TREASURY PRESS RELEASE MAY 21, 1975

FORMATION OF COMMITTEE ON FOREIGN INVESTMENT IN THE UNITED STATES

PURSUANT TO EXECUTIVE ORDER 11858 SIGNED BY PRESIDENT FORD ON MAY 7, 1975, SECRETARY OF THE TREASURY WILLIAM E. SIMON HAS DESIGNATED UNDER SECRETARY FOR MONETARY AFFAIRS JACK F. BENNETT TO BE CHAIRMAN OF THE NEW INTERAGENCY COMMITTEE ON FOREIGN INVESTMENT IN THE UNITED STATES. THE DESIGNATED REPRESENTATIVES OF OTHER GOVERNMENT DEPARTMENTS AND AGENCIES ARE: THOMAS O. ENDERS, ASSISTANT SECRETARY FOR ECONOMIC AND BUSINESS AFFAIRS, DEPARTMENT OF STATE; ROBERT ELLSWORTH, ASSISTANT SECRETARY FOR INTERNATIONAL SECURITY AFFAIRS, DEPARTMENT OF DEFENSE; JOHN K. TABOR, UNDER SECRETARY, DEPARTMENT OF COMMERCE; THE ASSISTANT TO THE PRESIDENT FOR ECONOMIC AFFAIRS, L. WILLIAM SEIDMAN; AND JOHN M. DUNN, ACTING EXECUTIVE DIRECTOR OF THE COUNCIL ON INTERNATIONAL ECONOMIC POLICY.

THE MAJOR TASKS OF THE COMMITTEE ARE TO ASSESS GENERAL TRENDS AND SIGNIFICANT DEVELOPMENTS IN FOREIGN INVESTMENT AND TO REVIEW INVESTMENTS IN THE UNITED STATES WHICH, IN THE JUDGMENT OF THE COMMITTEE, MIGHT HAVE MAJOR IMPLICATIONS FOR THE U.S. NATIONAL INTERESTS. THE COMMITTEE IS ALSO RESPONSIBLE FOR CONSIDERING PROPOSALS FOR SUCH NEW LEGISLATION OR ADDITIONAL ADMINISTRATIVE ACTION AS MAY BE APPROPRIATE. THE COMMITTEE WILL, AS APPROPRIATE, SEEK THE ADVICE OF OTHER PARTS OF THE GOVERNMENT.

THE COMMITTEE HELD ITS FIRST MEETING ON MAY 20. THE

COMMITTEE REVIEWED PROCEDURES BEING DEVELOPED FOR ADVANCE CONSULTATIONS WITH FOREIGN GOVERNMENTS ON THEIR MAJOR PROSPECTIVE INVESTMENTS IN THIS COUNTRY. IT IS ANTICIPATED THAT CONSULTATIONS WITH FOREIGN GOVERNMENTS WILL TAKE PLACE THROUGH DIPLOMATIC CHANNELS. PRIVATE INVESTORS WISHING TO CONSULT ON MAJOR FOREIGN INVESTMENTS IN THE UNITED STATES SHOULD CONTACT THE SECRETARY OF THE COMMITTEE ON FOREIGN INVESTMENT IN THE UNITED STATES, ROOM 5100, MAIN TREASURY, WASHINGTON, D.C. 20220
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(TELEPHONE NUMBER 964-2386).
THE COMMITTEE ALSO REVIEWED THE PLANS FOR THE NEW OFFICE ON FOREIGN INVESTMENT IN THE UNITED STATES BEING ESTABLISHED BY THE SECRETARY OF COMMERCE IN ORDER TO CARRY OUT HIS FUNCTIONS UNDER EXECUTIVE ORDER 11858. THE OFFICE WILL BE LOCATED IN THE DOMESTIC AND INTERNATIONAL BUSINESS ADMINISTRATION AND WILL BE HEADED BY DEPUTY ASSISTANT SECRETARY LAWRENCE A. FOX. THE NEW OFFICE WILL OBTAIN, CONSOLIDATE, AND ANALYZE INFORMATION ON FOREIGN INVESTMENT IN THIS COUNTRY AND WILL ALSO SUBMIT TO THE COMMITTEE REPORTS, ANALYSES, DATA, AND RECOMMENDATIONS RELATING TO FOREIGN INVESTMENT IN THE UNITED STATES, INCLUDING RECOMMENDATIONS AS TO HOW INFORMATION ON SUCH INVESTMENT CAN BE KEPT CURRENT. KISSINGER

NOTE BY OC/T: POUCHED BAGHDAD.

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Draft Date: 23 MAY 1975
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Margaret P. Grafeld
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